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Wheat Farm will suffer crop failure?



CROPS ARE UNCERTAIN

Mr. Wheat Grower, when you look into the future what certainties do you see? You see operating expenses. You see living expenses. You see taxes. You may see mortgage charges. You see depreciation. These are some of the certainties of the future. These are obligations.

You look to future normal crops to meet these obligations. But normal crops are not certainties.

Somewhere in the future there is crop failure for most wheat growers. You do not know when it will come. You do not know how great your loss will be when it does come.

When crop failure does strike, and leaves you with little or no wheat to sell, how will you meet your obligations? How will you meet your taxes, your operating expenses, your debt load, your living costs, your depreciation?

Wheat growing always has been a risky business. The wheat grower in the past has had no satisfactory means of ASSURING himself of wheat to sell. But NOW, by looking ahead to the coming years, speculation CAN be taken out of it.

CHANCES FOR NORMAL CROP

Even if your hopes that the future will bring rain and sunshine sufficient to make rich harvests do materialize, the fact remains that grasshoppers, rust, drought, hail, floods, and other enemies of the wheat grower will strike. Mere hope is not a very effective armor against these.

You judge the future by the past. In the last 80 years there have been 13 major droughts—one every 6 years, on the average. Nine of these droughts were less than 6 years apart. That is only one of the causes of crop losses which afflict wheat-growing farmers.



OP FAILURE there!

Even in the least hazardous regions, wheat growers cannot expect normal yields on their farms every year. Most farmers cannot expect even 75 percent of their normal yield every year. In much of the country's wheat-growing area the chances of getting three-quarters of an average crop are only 7 or 8 out of 10. Some wheat growers put in a wheat crop when chances are 4 to 10 that they will get less than three-quarters of an average crop.

GETTING RID OF RISK ELEMENT

Most businesses have long relied upon insurance to take the risk element out of their business. They realize that there are loss hazards that cannot be prevented, and for protection they set aside small amounts to offset these inevitable losses. These businesses regard insurance against unavoidable losses as part of the cost of doing business.

Farming, particularly wheat growing, is more risky than these businesses. You can take much of the risk out of wheat growing with Federal crop insurance, which guarantees the insured grower that he will have wheat to sell every year.

COST VARIES WITH RISK

The cost of crop insurance varies with the risk, and is based on the past experiences of the individual farm and of the county in which that farm is located.

The cost averages $\frac{1}{2}$ bushel per acre on the best wheatland, 1 to $1\frac{1}{2}$ bushels on good wheatland, and 2 to $2\frac{3}{4}$ bushels on the highest-risk wheatland. Would you be willing to put that much extra seed into the ground if, by so doing, you would make certain that you would not have less than three-fourths of a crop in any year?

You cannot get that assurance by putting the extra wheat into the ground, but you can by putting it into crop insurance premiums.

THREE STEPS TO INSURED HARVESTS

1. Ask your county AAA committee to show you how wheat crop insurance will apply to your farm. The committee has on file the insurable yields and premium rates for all wheat farms, based on the record of the yield and loss of each farm blended with the county average, for the years 1926-38.

2. Fill out an application for wheat crop insurance and pay the premium required. The county office can quickly compute your premium on the basis of the acreage you intend to plant. All applications must be in and the premium paid before the crop is planted.

3. Your insurance goes into force as soon as the Corporation accepts your application and the crop is planted. Your premium payment goes into the wheat insurance reserve of the Corporation, from which you will receive payment, in wheat or cash equivalent, to make up for any unavoidable losses to your crop.

THE FEDERAL CROP INSURANCE CORPORATION
UNITED STATES DEPARTMENT OF AGRICULTURE